

For Immediate Release

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PREPAREDNESS MONTH REINFORCES BUSINESS PLANNING NEEDS

Bismarck, ND – Every year emergencies take their toll in lives and dollars on business and industry. Business and industry can limit injuries and damages and return more quickly to normal operations if they plan ahead. Business owners and managers are encouraged to develop or review their emergency plans during National Preparedness Month.

Owning or managing a business means providing jobs for local residents and security for their families. It means a sound tax base for local government and a healthier local economy. When business owners or managers protect their businesses from natural disasters, or from any kind of significant business interruption, they protect one of the most valuable assets in a community. While North Dakotans may not be able to prevent a natural or human-caused disaster from occurring, planning and awareness can avoid the most devastating damage that businesses face.

Businesses shouldn't risk operating without a disaster plan. The American Red Cross states that as many as 40 percent of small businesses do not reopen after a major disaster like a flood or tornado. These businesses were unprepared for a disaster; they had no plan or backup system.

When developing a business disaster plan, consider three areas: human resources, physical resources and business continuity. Business owners/managers should keep in mind how a disaster could affect employees, customers and the workplace. Owners/managers should plan how they could continue to do business if the area around their business is closed or if streets are impassible. They should also consider what would be needed to service customers even if the facility is closed. Keep employees updated on their responsibilities and test the business disaster plan periodically.

"Be proactive, having a plan will help your business prepare for the unexpected. Failure to have a plan could be very costly," said Dave MacIver, President, Greater North Dakota Chamber of Commerce.

It is critically important for businesses to protect their base assets with adequate insurance for the place of business, contents and inventory, and/or production processes. Although insurance can help protect business assets, it cannot assure the survivability of the

business after the disaster. Without a pre-defined plan to protect people and property, and to resume business operations, most organizations find it very difficult to survive a business outage.

Basic insurance policies cover expenses and loss of net business income, but may not cover income interruptions due to damage that occurs away from your premises, such as a key customer or supplier or to a utility company. Generally, businesses can buy this additional coverage or add it to an existing policy.

Business owners/managers should review their current policy with their insurance agent. Be sure you understand your policy, its deductibles and its limits. Insurance agents will work with businesses to estimate projected revenues and expenses, calculate anticipated income and determine the potential losses from a temporary closure.

A disaster planning tool kit for small to mid-sized business owners is available at www.ibhs.org/docs/OpenForBusiness.pdf. A step-by-step approach to business emergency planning for companies of all sizes is available at www.fema.gov/pdf/library/bizindst.pdf. Business owners/managers can also contact their local emergency managers.

Preparedness information and links to other web sites with detailed information can be found on the Division of Homeland Security of the N.D. Department of Emergency Services (DES) website at www.state.nd.us/des.

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